

THE TORONTO STOCK EXCHANGE

filed
sep
FILING STATEMENT NO. 1385.
FILED, JANUARY 6th, 1966.

GRANDROY MINES LIMITED

Full corporate name of Company
Incorporated under the Ontario Companies Act, by Letters Patent dated January 24, 1951;
Supplementary Letters Patent dated February 22, 1955; and August 23, 1957.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1287.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	GRANDROY MINES LIMITED, hereinafter referred to as the "Company", proposes to sell 250,000 shares of its capital stock, by firm commitment, fully paid and non-assessable, at the price of 22¢ per share, and to enter into an Option Agreement covering 37 mining claims located in the Portage River area of the Province of New Brunswick.
2. Head office address and any other office address.	<u>HEAD OFFICE:</u> Suite 908, 330 Bay Street, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<u>PHILIP E. BOYLEN</u> , 35 Kingsway Crescent, Director and Brokers Account Executive, Toronto 18, Ontario. President. <u>DAVID W. GORDON</u> , 51 Alexander Street, Director and Professional Secretary, Toronto, Ontario. Vice-President. <u>GORDON L. MOORE</u> , 60 Rivercove Drive, Director and Mining Executive, Islington, Ontario. Secretary-Treasurer <u>CHARLES B. BRANNIGAN</u> , 40 Elvaston Drive, Director and Mining Accountant, Toronto 16, Ontario. Assistant Secretary <u>WILLIAM C. DURHAM</u> , 35 Leacrest Avenue, Director. Executive and Stockbroker, Toronto, Ontario.
4. Share capitalization showing authorized and issued and outstanding capital.	<u>CAPITAL STOCK</u> <u>AUTHORIZED:</u> 5,000,000 shares (Common) without nominal or par value. <u>ISSUED:</u> 4,600,005 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None authorized or outstanding.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Houston & Company Limited, at 335 Bay Street, Toronto, Ontario, acting on behalf of a "Client", has agreed to underwrite, by firm commitment, 250,000 shares of the capital stock of the Company at the price of 22¢ per share, fully paid and non-assessable, to be taken up and paid for upon the date notice is received by the Company of the acceptance for filing by The Toronto Stock Exchange and the Canadian Stock Exchange of the Company's Filing Statements relative thereto.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Lanson Holdings Limited, a private Company controlled by Mr. M. J. Boylen, with its offices at Suite 903, 330 Bay Street, Toronto, Ontario, is the "Client" referred to in Item No. 6 hereof and it will have a one hundred percent (100%) interest in the shares of the Company to be underwritten as hereinbefore set forth. No assignment of the said shares is proposed or contemplated.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No cash or securities of the Company will be paid to a promoter in connection with the proposed underwriting referred to in Item No. 6 hereof.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to carry out exploratory work on the Province of New Brunswick mining property held under Option as referred to in Item No. 19 hereof, in implementation of the Report of C.T. Ritchie, B.Sc., P.Eng., dated November 29th, 1965. It may be stated that the scope, conditions and extent of such exploratory work will generally be predicated on results obtained from time to time. The Company also proposes to carry out further development and exploration work on its other mining properties if, as and when warranted. Monies accruing from the sale of treasury shares of the Company will be used for the aforementioned purposes and for general administrative expenses. No funds of the Company will be used for the purchase of securities other than securities eligible for investment without prior notice thereof being given and accepted for filing by The Toronto and Canadian Stock Exchanges.

10 Brief statement of company's chief development work during past year.

The following is a brief statement of the Company's chief exploration work carried out during 1965:

The Company's mining properties are maintained in good standing.

Jacquet River Mines Limited, Bathurst Area, N.B.

The 1965 work program on the property, held by the Company's wholly owned subsidiary, Jacquet River Mines Limited, was concentrated in the northwest portion of the property. The old picket line grid in this area was cleaned out and rechained. This grid includes two base lines and about 11 miles of picket lines. About 600 soil samples were taken on this grid. The soil sampling was followed by the drilling of three holes totalling 2,075 feet.

Nelligan Township, Quebec

A geological survey was carried out on this property. This work was followed by about 10 miles of magnetometer surveying. The results of the magnetic survey were checked by soil sampling. Two holes totalling 1,094 feet were drilled to test the magnetic anomalies.

Eccleston and Fergus Townships, Ontario

Approximately 2,000 line miles of aerial E.M. were surveyed by Huntex Limited in the spring of 1965. This work was followed by ground follow-up in the form of electromagnetic surveying and trenching, blasting, line cutting and surface exploration.

Labrie Township, Quebec

A geological survey was carried out on the claims held in this area and a limited amount of surface exploration. The results of the work were inconclusive and the claims were abandoned during November, 1965.

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.

Free Nations Mines Limited,
25 Adelaide Street West, (See Item 19 hereof.)
Toronto, Ontario.

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.

Free Nations Mines Limited, referred to in Item 11 hereof, has only five issued shares, one of which is owned by each of G. D. Pattison, S. A. Perry, R. D. Bell, W. E. Essery and G. H. Hawker, all of 25 Adelaide Street West, Toronto, Ontario. The Company is informed that work done on the claims for Free Nations Mines Limited was performed by M. J. Boylen Engineering Offices of Toronto, of which M. J. Boylen is sole proprietor, and that Free Nations Mines Limited is indebted to that firm in the amount of approximately \$7,000.00. Free Nations Mines Limited is indebted to M. J. Boylen of Toronto in the amount of \$4,076.73 for monies advanced. The Company understands that Free Nations Mines Limited will repay the said liabilities as to such extent as may be possible, from proceeds received from the Company under the said option agreement. (See Item 19 hereof.)

13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.

1,215,000 shares of the Company are held in escrow by Guaranty Trust Company of Canada at 366 Bay Street, Toronto, Ontario. The said shares are subject to release, transfer, hypothecation or other alienations only upon the written consents of The Toronto and Canadian Stock Exchanges, the Quebec Securities Commission and the Board of Directors of the Company.

14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)

The escrowed shares referred to in Item No. 13 hereof are, in so far as the Company is aware, beneficially owned as follows:

<u>Philip E. Boylen,</u> 35 Kingsway Crescent, Toronto 18, Ont.	-	900,000 shares
<u>James A. Boylen,</u> R.R. No. 2, Malton, Ont.	-	100,000 shares
<u>Dorothy E. Coulter,</u> 9 Country Club Drive, Islington, Ont.	-	125,000 shares
<u>Walter Leamy,</u> P.O. Box 577, Noranda, Que.	-	73,350 shares
<u>Paul A. Perigny,</u> Amos, Que.	-	16,650 shares

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.

<u>Registrant</u>	<u>Total Number of Shares</u>	<u>Shares held in Escrow</u>
<u>Philip E. Boylen,</u> 35 Kingsway Cresc., Toronto 18, Ont.	900,001	900,000
<u>Houston & Co.,</u> <u>Houston & Company Limited,</u> 335 Bay Street, Toronto, Ont.	653,100	-
<u>G. W. Nicholson & Company Limited,</u> 67 Richmond St. West, Toronto, Ont.	195,000	-
<u>Dorothy E. Coulter,</u> 9 Country Club Drive, Islington, Ont.	394,750	-
<u>Hevenor & Co.,</u> 11 Jordan Street, Toronto, Ont.	125,000	125,000
	118,399	-

The shares registered in the names of Philip E. Boylen and Dorothy E. Coulter are beneficially owned by the registrants. The beneficial owners of the other shares of the Company registered in "street" names, as aforementioned, are unknown to the Company save that Lanson Holdings Limited, at Suite 903, 330 Bay Street, Toronto, Ont., beneficially owns 605,650 shares registered in "street" names.

FINANCIAL STATEMENTS

GRANDROY MINES LIMITED
 (Incorporated under the Laws of Ontario)
BALANCE SHEET - NOVEMBER 30, 1965

ASSETS

<u>CURRENT:</u>	\$	<u>CURRENT:</u>	\$
Cash	11,165.41	Nil	
Accounts receivable	76.95		
Prepaid expenses	226.78		

INVESTMENTS:

Shares of other mining companies having a quoted market value, at cost (Quoted market value - \$164,545.00)	294,774.25	<u>CAPITAL STOCK:</u>	
Investment in a wholly owned subsidiary: Jacquet River Mines Limited		Authorized:	5,000,000 shares of no par value
Shares - at cost	250,000.00	Issued:	4,600,005 shares
Advances	89,373.84		1,583,755.25
	339,373.84	<u>DEFICIT:</u>	
	634,148.09		

FIXED:

Mining claims held under development licenses and mineral certificates - at cost	78,141.78	<u>Balance - January 1, 1965</u>	447,702.32
Automotive equipment	3,168.80	Add: Mining claims abandoned	9,120.64
Mobilehomes	5,700.00		456,822.96
	8,868.80		
Less: Allowance for depreciation	4,523.09	82,487.49	
	4,245.71		

DEFERRED:

Mine development and administrative expenses to Dec. 31, 1964	314,380.72	<u>APPROVED ON BEHALF OF THE BOARD:</u>	
Current development and administrative expenses	89,456.98	<u>E. J. Boylan</u>	Director
Deduct: Exploration expenses on claims abandoned	5,010.13	<u>J. L. Currier</u>	Director
	398,827.57		
	1,126,932.29		

1,126,932.29

GRANDROY MINES LIMITED

SCHEDULE OF INVESTMENTS

		<u>Cost</u>	<u>Market Value Nov. 30, 1965</u>
21,400	shares - Key Anacon Mines Limited	\$ 87,978.75	\$ 64,200.00
21,000	" - Atlantic Coast Copper Corporation Limited	26,115.00	30,030.00
35,000	" - The Coniagas Mines, Limited	94,563.00	27,300.00
5,150	" - First Maritime Mining Corporation Limited	48,442.50	26,265.00
5,000	" - Northern Canada Mines Limited	12,675.00	7,000.00
175,000	" - Beauce Placer Mining Co. Ltd.	24,000.00	8,750.00
	- Dominion of Canada Bond	1,000.00	1,000.00
(82,500 shares of above Beauce Placer Mining Co. Ltd. shares held in Escrow)		\$ 294,774.25	\$ 164,545.00

.....

SCHEDULE OF MINING PROPERTIES

55	claims - Roy Township, Quebec	\$ 57,500.00
* 33	" - New Kagiano River Area, Ontario	2,181.50
18	" - Reid Township, Ontario	16,000.00
216	" - Fergus and Eccleston Townships, Ontario	2,224.25
13	" - Nelligan Township, Quebec	<u>236.03</u>
		<u>\$ 78,141.78</u>

* Note: The Company holds a 90% interest only in New Kagiano River Area mining claims.

GRANDROY MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
PERIOD - JANUARY 1ST TO NOVEMBER 30TH, 1965

	\$	\$	\$
<u>Source of Funds:</u>			
Issue of treasury shares (600,000 shares)		100,000.00	
<u>Application of Funds:</u>			
<u>Exploration Expenditures:</u>			
Assays	171.50		
Diamond drilling	5,600.75		
Geologists' fees and expenses	5,737.91		
License and transfer fees	1,211.25		
Line cutting	2,274.15		
Maps and blueprints	144.70		
Prospecting equipment and supplies	6,882.53		
Stripping	1,354.23		
Surface exploration	10,081.98		
Surveys	37,596.41		
Travelling and transportation	5,717.22		
Trenching and blasting	3,093.20	79,865.83	
<u>Administrative Expenditures:</u>			
Administrative expenses	2,750.00		
Advertising	230.00		
Automotive maintenance	39.20		
Corporation taxes	110.50		
Directors attendance fees	400.00		
Filing fees	370.00		
General expenses	30.00		
Legal and audit	137.15		
Listing and sustaining fees	200.00		
Mining licenses and fees	903.04		
Office stationery and supplies	408.08		
Postage	308.32		
Prospecting services	1,723.80		
Reports to shareholders	665.98		
Telephone and telegraph	374.89		
Transfer agent and registrar fees	1,181.14		
Travelling expenses	67.85		
Unemployment insurance	21.97		
<u>Less: Interest earned</u>	<u>330.77</u>	<u>9,591.15</u>	
<u>Deferred expenditures incurred during period</u>			
Acquisition of mining claims by staking, for staking costs only:			
Kagiano River area, Ontario	2,181.50		
Fergus and Eccleston Townships, Ontario	2,224.25		
Nelligan Township, Quebec	236.03	4,641.78	
<u>Exploration expenditures on mining claims abandoned:</u>			
Labrie Township, Quebec	1,021.86		
Wilson Township, Quebec	<u>6.39</u>	1,028.25	
Advances to wholly owned subsidiary - Jacquet River Mines Limited	<u>12,000.00</u>	<u>12,000.00</u>	<u>107,127.01</u>
<u>Decrease in working capital</u>			
<u>Working capital changes</u>			
	December 31, 1964	November 30, 1965	Increase (Decrease)
Current Assets	322,981.16	306,243.39	(16,737.77)
Current Liabilities	<u>9,610.76</u>	<u>nil</u>	<u>(9,610.76)</u>
	<u>313,370.40</u>	<u>306,243.39</u>	<u>(7,127.01)</u>

Approved on behalf of the
Board of Directors,*P. E. Boylen*
Director*J. L. Moore*
DirectorWe hereby certify that there have been
no material changes in the items on the balance
sheet since the date of said balance sheet, dated
November 30th, 1965:*P. E. Boylen*
President*J. L. Moore*
Secretary

JACQUET RIVER MINES LIMITED
(Incorporated under the Laws of the Province of Ontario)

BALANCE SHEET - NOVEMBER 30th, 1965

ASSETS

<u>CURRENT:</u>	
<u>Cash</u>	
Accounts receivable - (Prepaid item)	

FIXED: Mining claims held under mining license

DEFERRED: Development and administrative expenses
to December 31, 1964
Current development and administrative
expenses

APPROVED ON BEHALF OF THE BOARD:

M. J. Banks

S. L. Moore
Director

JACQUET RIVER MINES LIMITED

SCHEDULE OF INVESTMENTS - NOVEMBER 30TH, 1965

	<u>Cost</u>	<u>Market Value</u>
300,000 shares - Eastmont Larder Lake Gold Mines Limited (270,000 shares held in escrow)	3,000.00	3,000.00
180,000 shares - Captain Mines Limited (180,000 shares held in escrow)	1,800.00	nmv
55,912 shares - Kontiki Lead & Zinc Mines Limited (55,912 shares held in escrow)	2,795.60	nmv
400 shares - Key Anacon Mines Limited	1,656.50	1,200.00
5,000 shares - Northern Canada Mines Limited	11,625.00	6,850.00
200,000 shares - Bocabois Gold Mines Limited (180,000 shares held in escrow)	500.00	nmv
	<u>_____</u>	<u>_____</u>
	<u>\$ 21,377.10</u>	<u>\$ 11,050.00</u>

JACQUET RIVER MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
PERIOD - JANUARY 1ST TO NOVEMBER 30TH, 1965

<u>Source of Funds:</u>	\$	\$	\$
Accounts Receivable (Prepaid item)	20.00		
Advances from Parent Company - Grandroy Mines Limited	12,000.00		
Refund received from Province of New Brunswick, being payment made in 1964 in lieu of assessment work on Mining license	<u>2,408.91</u>		14,428.91

Application of Funds:

Exploration expenditures

Diamond drilling	8,507.48
Geologist's fees and expenses	937.88
Line cutting	441.60
Maps and blueprints	5.28
Mining Licenses and fees	272.50
Telephone	4.36
Travelling and transportation	270.09
Soil sampling	496.00
Surface exploration	<u>298.62</u>
	11,233.81

Administrative expenditures

Bank charges	9.03		
Corporation taxes	20.00		
Filing fees	35.00		
Legal and audit	25.00		
Telephone and telegraph	<u>12.38</u>	<u>101.41</u>	<u>11,335.22</u>
			3,093.69

Working capital changes

	<u>December 31st, 1964</u>	<u>November 30th, 1965</u>	<u>Increase (Decrease)</u>
Current Assets	<u>21,571.43</u>	<u>24,565.12</u>	<u>2,993.69</u>
Current Liabilities	<u>100.00</u>	<u>nil</u>	<u>(100.00)</u>
	<u>21,471.43</u>	<u>24,565.12</u>	<u>3,093.69</u>

Approved on behalf of the Board of Directors:

M.J. Boyle
Director

A.C. Moore
Director

We hereby certify that there have been no material changes in the items on the Balance Sheet since date of said Balance Sheet, dated November 30th, 1965:

G.H. Boyle
President

A.C. Moore
Secretary

ENGINEER'S REPORT

Note: The following are excerpts from a report by C.T. Ritchie, B.Sc., P.Eng., dated November 29th, 1965, on mining claims located in the Parish of Bathurst, Gloucester County, New Brunswick. A complete copy of this report is on file with the Toronto Stock Exchange.

MINING EXPLORATION REPORT
FREE NATIONS MINES LIMITED
PORTRAGE RIVER PROPERTY, NEW BRUNSWICK

GROUP 2

INTRODUCTION

This report is based almost entirely on personal geological observations made during October, 1965, and the results of geophysical surveys performed more or less concurrently with the author's geological examination. The author has no interest in the property, neighboring properties, or in the shares of Free Nations Mines Limited.

SUMMARY

Favorable formations occur on the property that lies within a generally favorable belt of metasedimentary and metavolcanic rocks. The specific horizon associated with the largest productive base metal deposit of the region does not outcrop on the property, but a reasonably attractive electromagnetic anomaly and a broad area of disseminated pyrite float are present. Visible traces of copper and lead minerals (chalcopyrite, bornite, azurite and oxidized galena) were observed in a few scattered pieces of float or local drift. Two short diamond drill holes are recommended.

WORK PERFORMED

After the claims were acquired, a reconnaissance geological inspection of the property suggested that exploration effort be concentrated near the acid tuff horizon. A base line parallel to the strike of formations and cross-lines at intervals of 300 feet, totalling about 23 miles, were cut, chained, and marked with pickets at stations 100 feet apart. The property was then surveyed by a geologist and searched by two prospectors. A magnetic survey, by means of a Sharpe MF-1 Fluxgate Magnetometer, and an electromagnetic survey, using a Cronc reconnaissance unit, were performed over the entire picket line system. To provide interpretive information, two of the picket lines were surveyed by the loop-frame electromagnetic method and 144 soil samples were taken on lines crossing an extensive natural conductor.

CONCLUSIONS

The property is geologically favorable to base metal occurrence. Float containing pyrite is widespread, and traces of copper and lead have been observed in float or local drift. To the northeast of the pyrite float a broad and extensive electrically conductive zone has been outlined by preliminary geophysical surveying. The geological components of the conductive zone have not been established. One cause of the conductivity, among other possible causes, may be concentrations of sulphides within a conductive structure, and another cause may be a more or less continuous body of either sulphides, graphite, or combination of sulphides and graphite. While the conductivity may be caused by material of little or no economic value, it may be high in sphalerite, a poor conductor, and

consequently the zone's merits further exploration. The in-phase to out-of-phase ratio of an electromagnetic check survey on two lines suggests only fair conductivity. Massive sulphides are therefore eliminated from expectations, but a sufficient amount of disseminated sulphides to comprise ore may be present either in small or large volume. On the other hand, appreciable sulphides may be absent. Although the possibility of finding ore is indefinite, it is concluded that the anomaly should be explored by diamond drilling.

RECOMMENDATIONS

It is recommended that 800 feet of AXT core diamond drilling be done as specified below:

Diamond Drill Hole No. 1
Collar Location: L33N, 1500 feet east
Direction: N103°E along cross line
Inclination: 45°
Length: 400 feet

Diamond Drill Hole No. 2
Collar Location: L15N, 1400 feet east
Direction: N103°E along cross line
Inclination: 45°
Length: 400 feet

COST ESTIMATE

The following is the estimated cost of the recommended work:

Diamond Drilling - 800 feet @ \$5.00	\$4,000
Moves, Cementing, Casing	1,500
Geologist	1,000
Maintenance	500
Miscellaneous	500
Contingencies and Overhead	<u>1,500</u>
Total	<u>\$ 9,000</u>

Respectfully submitted,


C. T. Ritchie, B.Sc., P.Eng.

Toronto, Ontario
November 29, 1965

C E R T I F I C A T E

I, CICERO THEODORE RITCHIE, of the Town of Leaside, Metropolitan Toronto, County of York, Province of Ontario, hereby certify:

- (1) THAT I am an independent geologist and reside at 42 Cameron Crescent, Town of Leaside, Province of Ontario.
- (2) THAT I studied physics and geology and graduated from Dalhousie University in 1938 with the degree of Bachelor of Science.
- (3) THAT I am a member of the Association of Professional Engineers of the Province of Ontario (Mining Branch).
- (4) THAT I do not have any direct or indirect interest whatsoever in the property or mining claims covered by this report, nor do I have any direct or indirect interest in the shares of Free Nations Mines Limited, nor do I expect to receive any direct or indirect interest in the shares or mining claims held by Free Nations Mines Limited.
- (5) THAT this report is based on my personal examination of the property itself, on the data provided by geophysical surveys, and on my experience in the Bathurst-Newcastle mining area.


C. T. Ritchie, B.Sc., P.Eng.

Dated at Toronto, Ontario
this 29th day of November, 1965

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.

It is believed that the present Directors of the Company are in such position, dependent upon proxies from a sufficient number of Shareholders.

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.

Number of Shares	Name of Companies	Cost \$	Market Value \$(29/12/65) \$
21,400	Key Anacon Mines Limited	87,978.75	63,130.00
21,000	Atlantic Coast Copper Corporation Limited	26,115.00	33,180.00
35,000	The Conilagis Mine Limited	94,563.00	31,500.00
5,150	First Maritime Mining Corporation Limited	48,442.50	25,235.00
5,000	Northern Canada Mines Limited	12,675.00	8,000.00
-	Dominion of Canada Sept. 1972 Bond	1,000.00	1,000.00
92,500 "Free" Escrowed)	Beauce Placer Mining Co. Ltd.	24,000.00	6,937.50
		294,774.25	168,982.50
		\$	
1,250,000	Jacquet River Mines Limited Advances	250,000.00 89,373.84	339,373.84 634,148.09

Jacquet River Mines Limited - Schedule of Investments

Number of Shares	Name of Companies	Cost \$	Market Value \$(30/11/65) \$
300,000	Eastmont Larder Lake Gold Mines Limited	3,000.00	3,000.00
	(270,000 shares held in escrow)		
180,000	Captain Mines Limited	1,800.00	nmv
	(180,000 shares held in escrow)		
55,912	Kontiki Lead & Zinc Mines Limited	2,795.60	nmv
	(55,912 shares held in escrow)		
400	Key Anacon Mines Limited	1,656.50	1,200.00
5,000	Northern Canada Mines Limited	11,625.00	6,850.00
200,000	Bocabois Gold Mines Limited	500.00	nmv
	(180,000 shares held in escrow)		
		21,377.10	11,050.00

18. Brief statement of any lawsuits pending or in process against company or its properties.

There are no lawsuits pending or in process against the Company or its properties.

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.

The Company has entered into an Option Agreement dated December 29, 1965, made between Free Nations Mines Limited at Suite 509, 25 Adelaide Street West, Toronto 1, Ontario, as the Optionor, and the Company as the Optionee, covering a group of 37 mining claims located in the Portage River area, Parish of Bathurst, County of Gloucester, in the Province of New Brunswick, claims numbered 185976 to 185987 inclusive on License No. 10574 and claims numbered 185126 to 185150 inclusive on license No. 10567.

The option is for the period ending September 30, 1966, for which a payment of \$7,500.00 is required and, provided the option is exercised on or before the aforementioned date, the Company is required to pay an additional \$7,500.00 and to allot and issue 100,000 shares of the Company to the Optionor (or as otherwise directed), fully paid and non-assessable. It is provided that such number of the said 100,000 shares as may be required to be escrowed by the Quebec Securities Commission, The Toronto Stock Exchange and the Canadian Stock Exchange, when issued, shall be held in escrow until such time as they may be released from escrow by the Quebec Securities Commission, The Toronto Stock Exchange and the Canadian Stock Exchange.

The said Commission and both Stock Exchanges have now required that all of such 100,000 shares, if, as and when issued, shall be held in escrow on the aforesaid terms.

The Company has agreed that in the event that it is proposed to exercise the aforesaid option, the matter will be submitted to the shareholders of the Company for their consideration and will only be proceeded with if confirmed by the shareholders. In addition, further Filing Statements will be submitted to The Toronto Stock Exchange and the Canadian Stock Exchange disclosing the Company's intention to exercise the option and including a report of a qualified engineer recommending such action.

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

The Company acquired during 1965, by staking, for staking costs only, the following groups of mining claims:

Date 1965	No. of Claims	Area	Cost \$
June 30	216	Fergus and Eccleston Townships, Ontario.	2,224.25
Nov. 30	33	New Kagiano River Area, Ontario (90% interest only).	2,181.50
Sept. 30	13	Nelligan Township, Quebec.	236.03

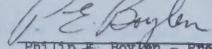
There are no other material facts.

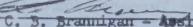
The shares of the Company referred to in Item 6 hereof, when issued, will be in the course of primary distribution to the public.

DATED December 30, 1965

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

 CORPORATE
Philip E. Boylen - President SEAL

 G. S. Brannigan - Assistant Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

HOUSTON & COMPANY LIMITED

"J.E. Houston" By: 
"H. Gibson" and 